

ABSTRACT

In a market of many buyers and sellers the present invention effectuates multiple transaction prices for a commodity. Buyers and sellers are matched only when they submit same prices in their trading requests. As a transaction price is always equal to what traders have submitted, the present invention can greatly help enhance trading transparency and reduce monitoring and regulation costs. The commodity's value distribution, represented by multiple transaction prices and corresponding transaction volumes, is disclosed to participants of the market. The price distribution information expands a market's discovery function into price distribution, not just a point estimate of price. The present invention offers traders opportunities to observe directly price risk involved as well as to manage a commodity's price portfolio. The method and system disclosed are applicable to the trading of broadly defined commodities including various goods and services, stocks, bonds, currencies, options, futures, insurance contracts, and other financial instruments and their derivatives.